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October 29, 2007

Bryan K. Scott, Esq.
Assistant City Attorney
400 Stewart Ave., 9th Floor
Las Vegas, NV 89101

RE: Triple Net Properties vs. City of Las Vegas
Appeal No.:
Case No.: A474882

Dear Mr. Scott:

This letter is in furtherance of our recent settlement negotiations in the above case. As you may know, my client (Triple Net) is completing construction of the driveway pursuant to the permit recently reissued by the City in conformance with Judge Lochrer's decision, which is now on appeal to the Nevada Supreme Court. For the record, my client is willing to resolve this case in its entirety including your appeal of Judge Lochrer's decision to the Nevada Supreme Court as well as its underlying claims for damages still pending before Judge Lochrer, providing that the City Council approves the settlement we tentatively reached at our Mandatory Settlement Conference in the appeal of this case.

Preliminarily, I would like to note that Judge Lochrer ruled in our favor, ordered reissuance of the permit, which since has been reissued to my client by the City, and my client has commenced with construction of the driveway which will be completed long before we even begin briefing this appeal. Further, Judge Lochrer denied your motion for a stay of her order and, therefore, as a matter of practicality, this driveway will have been constructed there for some two years before this appeal is even heard. Thus, I cannot imagine why the City would even continue to pursue it. With that said, please be advised that my client is willing to relinquish and waive its claims for the following damages against the City in District Court if we can resolve this case in its entirety:

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| 1. | Increased construction cost of driveway from \$62,000.00 to \$108,000.00 | \$ 46,000.00 |
| 2. | Loss of LVMPD as tenant at WOP (12,000 sq. ft. not yet relet at \$2.05 per sq. ft. from December, 2006 to 2007). | \$295,200.00 |
| 3. | Triple Net attorney's fees in Ophthalmic case | \$ 62,000.00 |
| 4. | Triple Net attorney's fees in this case | <u>\$ 26,708.00</u> |
| | Damages to date: | <u>\$429,908.00</u> |

Please be advised that these damages do not include those which would arise from an adverse outcome in the Ophthalmic case; meaning, if the Nevada Supreme Court were to reverse the District Court's decision in favor of my client in that case. Given the twelve year term of that lease, those damages would be in excess of \$1 million. Again, my client is willing to forego any attempt to recover all of these damages against the City in this case if it simply approves the settlement we reached at our Mandatory Settlement Conference in your appeal. If not, my client will proceed accordingly in the District Court.

As always, thank you for your professional courtesy and cooperation in this regard.

Very truly yours,

Jeffrey R. Albrechts, Esq.

JRA/dd

cc: Triple Net Properties